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INNOVATION IN DO-IT-YOURSELF RETAIL: AN EMPIRICAL STUDY ON GENERATION X AMONG PROFESSIONAL CRAFTSMEN AND CONSUMERS

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ABSTRACT. The strong trend towards innovations in the Romanian DIY market brought about by increased offer diversification and renewal, the hectic pace of accommodation and business centre construction in big cities and the increased interest in refurbishing houses and facades prompted the authors to conduct an exploratory study on the representatives of Generation X: those equipping a house or apartment, individual entrepreneurs using their own labour force to refurbish properties for re-sale, small-scale craftsmen supplying themselves with the necessary materials for this work, together with representatives of construction, real estate and interior design companies. The objective of the study is to determine how innovation in wide-area DIY retail is perceived by Gen X, be they individual consumers, entrepreneurs, small-scale craftsmen, or company representatives. The results reveal significant managerial implications which retailers should consider when defining and modifying their strategies for approaching and processing the market.

Keywords: DIY retail, customer clusters, innovation in DIY retail, projective tests, Romania.

Introduction

Generating competitive advantage by proper differentiation of products and services is probably the greatest challenge for 21st Century firms. Product assortment changes, improvement of manufacturing recipes and product presentation, as well as ongoing innovation probably represent the best way that a company may choose to attract and impress customers, arouse their interest, make them respond favourably to the whole organization and its brands, recommend its products and services to others and return to the store. Innovation encompasses a wide range of facets and meanings, from mere re-thinking of an advertising slogan to substantial change in a product or identification of a new technical solution based on extensive research.

A high degree of interaction between the retail service provider and customer increases the latter's capacity to recognize innovation and novelty, which represents a strong motivating factor that drives demand. Supermarkets, specialty stores, discounters and other retailers that enable their own customers to be more innovative will be successful in the face of fierce market competition. Innovation, development of new products and technologies, together with, and for customers represent an important element that each company should include in its corporate culture. Following this course of action, a retailer will be able not only to better its position in the market, but also to create the prerequisites for sustainable development in a knowledge-based society.

DIY retailers need to innovate because competition has become increasingly fierce and customer interest in novelty has grown. Through innovation, these retailers not only attract customers by arousing their interest, but also make them return to the store, even if they are not looking for a particular product. Innovation and novelty offer the possibility of enjoying leisure time and fostering a spirit of search and adventure. Through innovation and the products supplied, the *customer* becomes the DIY retailer's *equal partner* (Streimikiene, 2014). This calls for a careful investigation into the purchasing and consumption behaviour of the target groups and profile of the average customer. A recent study (Ipsos Research, 2015) revealed that DIY retailers are concerned with promoting their own concept in a way that *deep emotion is stirred* towards well-known and new products.

The concern for expanding the knowledge about consumer behaviour changes in DIY retail is called for by the gap between rapidly advancing technological innovations (including those in DIY retail) and the limited approach to this issue in the literature. With this objective, the research sought to:

a) confirm Gen Xs' increased willingness, as compared to that of other generations, to get involved in finding the best innovative solutions compared with other markets (food market, consumer electronics, etc.), adapted to their needs and expectations;
b) identify the various forms adopted by the relationship between retailers and service providers (exchange of information and advice, co-participation in conceiving renovation, interior design, repairing, gardening projects, etc.);
c) identify how the concept of innovation in Romanian DIY retail is perceived by the four Gen X customer clusters.

To identify how Romanian young people perceive innovation in general, and innovation in DIY retail in particular, the authors implemented empirical exploratory research. The data were collected through the survey method using an online questionnaire. The respondents were young people, either single or couples, who were at the start of their family life cycle. These young people were seeking to set up their own household, equip an apartment or a bought, rented, or inherited house, and needed information about building materials and other DIY retail offers. Some owned gardens or holiday houses and were therefore interested in new DIY methods. The research included young entrepreneurs who used their own labour force to equip or build houses which were later to be sold or rented. The third target cluster was represented by craftsmen (painters, bricklayers, carpenters, upholsterers, plumbers) who visited DIY stores to buy the materials needed for their work. The last cluster consisted of the representatives of different companies: real estate developers, constructors, designers, architects, interior and exterior design specialists, etc. They tended to make larger purchases and visit DIY stores to identify the latest offers, achieve extra efficiency in their work and find the latest innovations and/or technical solutions.

The representatives of the four customer clusters were asked to state their opinions about what innovation is, and how it is accomplished, as well as to express, within the building technique scenario, their viewpoints on the extent to which four technical solutions may be thought of as innovations. From the scientific point of view, the present research is the first attempt to capture the behaviour of a distinct generation towards innovation in a particular market, and the evolution of DIY retail within an emerging market such as Romania.

1. Innovation, prerequisite of modern retail

The major changes within post-war retail have prompted researchers to advance new theories designed to steer its evolution. Within the "Wheel of Retailing" theory, the evolution of new retail formats is likened to a circular motion (McNair, 1958; Hollander, 1960). The theory suggests that, when entering the market, the new retail formats are less familiar and invoke relatively low prices. As their market and patronage stabilize, they make investments, innovate and raise their prices accordingly. During the maturity stage of the cycle, they focus on premium products and services, trying to come up with innovative solutions. This increases their vulnerability to competition from new entrants, who try to position themselves by charging the lowest prices and finding innovative solutions, capable of drawing and keeping customers. Whereas the "Wheel of Retailing" theory focuses on pricing policy, the "retail life cycle" theory (Brown, 1990) deals with the gradual evolution of the retailer's range of products, and supports full harmonization between each developed retail format and the product and service offers which are constantly innovated. According to Brown, each retail format will have assortments of products to be taken through four stages: launching, development (growth), maturity and decline. Innovation (the process) and the innovations themselves play a highly significant role, because they allow an assortment to re-enter the growth stage, or the second maturity stage, and to constantly adapt to customers' ever-changing needs.

A recent study on the evolution of retail by 2020 (Retail, 2020) highlighted the megatrends expected to impact retail in its confrontation with the main factors of contemporary social and economic development (environment, globalization, technology, society, consumers and business). The following drivers have increased relevance to Romanian DIY retailers in their quest to gain competitive advantage: price policy, identifying the best levers of differentiation (innovation can and must play a significant role) and the extent to which retailers appeal to, rely on and apply the principles of sustainability to their own activity. Within this context, differentiation through innovation of product and service processes for the target markets, and the way in which it is effectively communicated at company level are of vital importance.

1.1. Innovation in the context of a knowledge-based society

Nowadays innovation is, in addition to creativity and novelty seeking, one of the drivers of the knowledge-based society, and is useful in strengthening a company's competitive advantage, in influencing consumers and in creating a favourable image of the company and its brands, products and services. The contemporary trends in the business world raise constant and increasingly bigger challenges for the present economy to generate more data and more complex information. Retail is at the very peak of hyper-competition, and an environment where a large amount of information about consumers, their preferences, motivations and attitudes can be gathered. Identification of the best market processing strategies can be made through the use of the Big Data instrument, which allows the analysis of structured and unstructured data (Săniuță *et al.*, 2013), thereby enabling the identification of customers' inclination towards innovations in the field of commercial technologies, and the development of competitive profile-building and positioning strategies (Dabija and Pop, 2008).

The literature (Gloet and Terziovski, 2004; Borghini, 2005; Choy *et al.*, 2006) shows a direct link between the inter- and intra-corporate knowledge process and the innovation process, in which the general knowledge of society, coupled with corporate expertise, is transformed into specific knowledge and applied to new products and services. The *knowledge-based economy* highlights the need to completely harness human capital, with the effect that a change of mentality is achieved with regards to the processes at the macroeconomic level (within society), at activity level (within the value chains) and at the level of companies. From a holistic viewpoint typical of contemporary marketing, *knowledge* represents the currency of interaction between the company and all its stakeholders, both customers and suppliers, or other categories of partners. When properly used, knowledge results may turn into a source of competitive advantage for the company (Carlile and Rebentisch, 2003).

Innovation, particularly the capacity to innovate and generate new knowledge, is today's most important resource for any company wanting to preserve a dominant position over its competitors, serve as the "benchmark" company in its field of activity, become the consumer's preferred company and the greatest success in the market. An organization's capacity to innovate greatly depends on the structure and variety of available information, the organization's technical, human, scientific and financial expertise in the form of licenses, patents, manufacturing recipes, product standards, norm regulating processes and the way in which the management harmoniously combines these dimensions with the human resources and develops sustainable strategies for market processing, and for approaching customers (Homburg and Krohmer, 2009; Cheben *et al.*, 2015). *Knowledge-based innovation* is supported by three types of connections between corporate expertise and the sources available to the organization (Keeley *et al.*, 2013):

- *open information sources* (articles in commercial and specialty magazines, information obtained by attending expositions, data possessed by stakeholders or obtained through observation, knowledge generated in research institutions and/or universities, public information provided by international and national authorities and organizations, e.g. World Trade Organization, World Bank, United Nations Organization, Chamber of Commerce and Industry, National Institute of Statistics, local authorities, etc.);
- *procurement of technology and technical expertise* in the form of equipment, machines, tools as well as licenses, patents, right to use, etc.;
- intra- and inter-sectoral cooperation between the company's stakeholders, calling for active involvement in development and innovation joint projects that have the advantage of fostering synergies between the parties involved and generating added value.

Surprising as it may seem, *innovation in the services sector* is an insufficiently explored dimension, both theoretically and practically. Although we live in a "society of services" in which innovation is expected to become "the next Big Thing" (O`Cass *et al.*, 2013), there is little empirical research on the subject. Ostrom (2010) defined *innovation in services* as the package of measures and activities that generate (added) value for the company's stakeholders (employees, owners, customers, consumers, partners, civil society, etc.) by designing, developing and presenting complex and integrated offers of products and services, new business models or solutions to improve the existing ones.

Innovation in services is not only limited to the uniqueness or newness of a product or service, but also comprises other specific aspects, such as maximizing success within the buyer-seller relationship, ensuring a stable and lasting interface between the company and stakeholders in the value chain, generating newness and added value, reducing the risks posed by the characteristics of services (intangibility, perishability, etc.) and providing solutions suited to the specific market contexts. Innovation in services is largely based on the buyers' contributions and their ever-changing needs (Kindström *et al.*, 2012). According to Salunke *et* *al.* (2013), *innovation in services* has two components: *interactive* and *support* innovation. *Interactive innovation* concerns the values newly created and/or induced by a service when the company changes some or all of its characteristics. This type of innovation seeks to *improve* the company's offers, bolster the image of the service among consumers, and improve or change the cognitive, affective and behavioural appraisals. Interactivity may also include substantial changes in the way the service is delivered, the possibility to customize and/or individualize the service and the generation of added value or uniqueness looked for by consumers. *Support* or *complementary* innovation consists of the changes made to the service whereby value is generated (identification of new resources to deliver the service and new methods of supply, improving the quality of service delivery, re-skilling personnel, etc.).

Unlike the goods sector, in the service sector, consumers can be thought of as partners in the delivery process, and not mere beneficiaries of the product, brand or service. In this context, Kotler (2009) mentions the concepts of value co-creation and customization. From this point of view, people represent an ideal source of new ideas for innovation. Gummesson (2008) views customers as "part-time" employees of the service provider, partners with quasi-equal rights (Pop, 2006), whose grievances, opinions, attitudes, behaviours and reactions are taken into account when developing the service. This approach is justified because when there is no customer, the service cannot be provided. The service opens up many possibilities to "bind" the customer to the company, gain their loyalty and enhance their medium and long-term attachment (Gummesson, 2008). In a world of increased competition and globalization, the *partner customer* becomes an increasingly important and powerful stakeholder, leading to changes in the service provider - customer relationship. The service provider innovates not only for the customer, but more and more *together with the customer* (Desouza *et al.*, 2008; Vasiliu *et al.*, 2016).

1.2. Innovation in DIY retail

Innovation in retail covers a multitude of aspects related to processes, brands, the use of information technology, diversification of communications media, change of commercial format and/or the insides of stores (Reinartz *et al.*, 2011). Innovation in retail may be caused by many factors, characteristics, or dimensions connected to consumers, trends in the market environment, elements of the marketing mix, actions of competitors, etc. Retailers often find themselves confronted with the task of innovating, of discovering new and varied ways to adapt to an ever-changing, polyvalent behaviour, in order to satisfy consumers exhibiting increasingly unstable behaviour (Dabija and Pop, 2008). Innovation may include changes in the way sales are achieved, the high diversification of consumer choice in conjunction with the increase in the number of information sources, the introduction of new scanning technologies (Gilbert, 2003), the use of new electronic services with completely changed characteristics and possibilities of exploitation, of social networks for product promotion and of information technology to interact with the customer (Reinartz *et al.*, 2011).

Innovation in retail may involve the use in the market of a particular new, innovative retail format, or the penetration of a new market in which there are no international retailers (Miles and Snow, 1978; Moore, 2005). A particular retail format may be new for a retailer due to market constraints, such as a smaller sales area adapted to another group of target consumers or another region, etc. A retailer that sells only through "bricks and mortar" stores may also use online selling (Zara Online, 2010), Drive-In selling (Real, 2012) or enrich the assortment of products in a gas station with food products, etc. (Spar Austria, 2009; Morschett, 2010). Retailers may also open flagship stores in downtown or high-traffic areas. These stores cover an unusually large area, have a wide assortment of products and a specific interior layout (Fritz and Gülow, 2009; Dabija and Băbuț, 2014).

In terms of *complexity*, *structure* and the impact of its *actions in time*, innovation in DIY retail may be *strategic* (with far-reaching effects on the volume of supplied goods, retail format and sales methods) or *operational* (with short-term decisions, implications, measures and actions having immediate effect) (Reinartz *et al.*, 2011). Innovation calls for many processes, tactics, measures and activities that together contribute to improve the DIY retailer's position in the mind of the consumer, generate competitive advantage, develop partner relationships within the value chain and maintain and/or improve its competitive position. From a systemic point of view, innovation in DIY retail refers to the following relationships (Pop *et al.*, 2012):

a) producer – retailer (not seen/perceived by the customer);
b) retailer – customer (the sales process within the store).

There are two aspects to be considered in terms of the *producer-retailer relationship*. The first aspect refers to innovations within the value chain concerning new activities and/or transport processes (packaging, overall dimensions, transport solutions, etc.), supply (order methods, supply routes, etc.) and storage (storage and exposition technologies, etc.). The second aspect refers to the DIY retailer's "turntable" status as it collects information from customers (suggestions, complaints, commentaries about their preferences and attitudes) and sends it to producers so that they may identify innovative solutions, capable of arousing attention and gaining loyalty. The producer is faced with the difficult task of identifying, out of the vast amount of information, that which can be turned into new products and services.

Within the *retailer-customer* relationship, the former tries to find the necessary levers for drawing, keeping and making the individual return to the store, increasing the number of visits, purchasing items and displaying loyal behaviour. DIY retailers may implement a wide range of innovations before, during and after sale. A pleasant, attractive, constantly new environment represents the main challenge for the DIY retailer striving to come up with constructive (bold, innovative architecture), functional (easy access and movement of visitors according to the principles of intuitive logic) and aesthetical (chromatic harmonies of the sales space and product display) innovations. When displaying the products, retailers can make use of various innovations to attract customers' attention and make them (re)purchase. These refer to the various merchandising tactics and actions, various ways of informing customers (applications for smartphones, terminals providing information to customers), setting up in-store attraction points (the novelty corner, room with "premium" products, etc.), the attractive display of goods and many others. In order to assess favourable attitudes among customers, the DIY retailer may use the mobile shopping assistant (application for the customer's smartphone, providing information about the goods supplied), room for testing and creativity, specific actions (initiating the customer's interest in recycling materials, implementation of buy-back systems or loyalty programmes supporting micropayments and microcredits) and mobile weighing, stock-taking and barcoding equipment, etc. Following the purchasing stage, the retailer may use complex programmes to ensure the customer's attachment to the retail brand, chain, a particular store, or the entire offer (Winkelmann, 2013) and strengthen his/her loyal behaviour, making the customer return to the store and recommend the retailer to other people. One of the relevant objectives of DIY retailers in developing market strategy is finding small-scale craftsmen who will carry out various types of work at the customer's home, whether an individual or corporate customer.

This typology highlights the complexity of the innovation phenomenon in DIY retail, as well as its implications and multifaceted character. It also pinpoints the complex manifestation of forms of innovation and creates the prerequisites of a structural approach to its operationalization.

1.3. Specifics of the DIY retail in Romania

The abandonment of specialized, product-oriented retailing and the development of retail formats covering large areas, with specialized departments and wide assortments of products are global trends which have increasingly been observed in Romania. The past years have witnessed an increase in the sales area, in the number of newly inaugurated food and non-food retail stores (Dabija and Abrudan, 2015), as well as more and more substantial "loss of ground" by small, independent retailers. The retail sector in Romania has not yet reached full maturity, as the big international players still enjoy a great potential for increase.

In Romania, the most commonly encountered food retail formats are supermarkets (Carrefour, Profi, Billa, Unicarm, Oncos, Mega Image, etc.) and discount stores (Lidl and Penny). By contrast, in non-food retail the most widespread are clothes, sports and shoes stores (Dabija *et al.*, 2014; Abrudan *et al.*, 2015). There are only a very few "Do-It-Yourself" stores, as the market is highly dynamic, dominated by strong and successful competitors that offer domestic and foreign products at reasonable prices. The DIY stores are more and more visited by amateur and professional construction workers, decorators and small-scale craftsmen who prefer these stores, because they find in them many home design and decorating solutions. The DIY stores also manage to attract customers with their range of products, interior design and pleasant atmosphere that fosters adventure and the search for more products. Customer involvement in the sale/purchase process is much more intense, as they are lured into looking for information in advance about the goods sold, according to their needs (Dabija and Pop, 2008).

Romania holds a privileged position on the European map of DIY retail due to its demographic potential, the large number of homes, offices and international companies that relocate production and embark on other intra-organizational processes, for instance developing university campuses (Cluj-Napoca, București, Timișoara, Sibiu, etc.). The DIY market tripled from 2005 to 2014, increasing from 330 million euros to over 1.4 billion euros (Saniuță, 2015). It is estimated that, by 2020, its turnover will have doubled, and that DIY chains will have strengthened their position in the big cities (Kingfisher, 2013). The main competitors of DIY retailers are the Romanian companies, Dedeman, Arabesque and Ambient and the international players, Praktiker, Hornbach, Mr. Bricolage, Kingfisher, OBI, Leroy-Merlin (Săniuță, 2015). The financial crisis hit DIY retail, leading to a 25% fall in its turnover, the insolvency of Interhome in 2010, the takeover of Baumax by Leroy-Merlin and the strengthening of its dominant position established by the Romanian chain Dedeman (Dabija and Abrudan, 2015). Lately, however, the DIY market has shown signs of recovery, the number of DIY stores reaching 155 in 2015 (Done, 2015).

1.4. Customer typology in DIY retail

The contemporary customer expects the DIY retailer to offer him/her a unique, different and unforgettable experience that generates usefulness for future projects in the field of home construction, design, decoration, or extension. Customers play different roles in the DIY market, exhibiting specific characteristics. Some customers are *specialists* or *professional craftsmen* with a high level of knowledge, and can be very demanding of the DIY retailer's range of products and solutions. Due to their experience and frequent visits to the store, they always identify the best quality/price ratio of the available offers. *Would-be craftsmen* are represented by *amateur* customers who like to do home repairs, and find satisfaction in building, repairing and arranging furniture items to make their home atmosphere more pleasant. *Novices* are customers attracted by interior decoration, furniture items and gardening tools, but who only occasionally visit DIY stores (Ipsos Research, 2015).

To attract customers, arouse their interest and make them open to innovation, DIY retailers often appeal to influencers to sell their goods. The craftsman-advisor, an *intermediary* between seller and buyer who works for the customer, carries out construction, design, repair and any other solicited works. He often acts as a major factor in influencing customers, pointing to the best solution, "awaking" the customers, expanding the offers and providing sound advice about the latest innovation according to the need expressed (Săniuță, 2015).

Recent studies have shown the Gen Xers' and Millennials' inclination for visiting DIY retailers and making purchases depending on their innovations (Săniuță *et al.*, 2013). The literature places Gen Xers between baby boomers (previous generation) and Generation Y members or Millennials (next generation). The clear delineation of Generation X varies from one region to another, generally comprising people born between the late 1960s and early 1980s (Martin and Pierce, 2009). The people belonging to this generation have, over time, experienced various forms of material deprivation, with limited possibilities for personal and professional development. Family plays an important role, the spouse is chosen with much caution and, consequently, the starting of a family may be delayed (Williams and Page, 2009). The education they received will have allowed them to develop a holistic, global way of thinking, while technology, innovative solutions and novelty are appealing aspects that shape their lifestyle. Other characteristics that define Gen Xers are entrepreneurial spirit, independent behaviour, pursuit of maximum comfort, need for the newest gadgets, Internet addiction, swift identification of the best solutions to a problem and professional excellence (Miller, 2011; Martin and Prince, 2009). For Gen Xers, buying is not a mere act of purchase, but involves increased demands addressed at retailers and service providers. Retailers have to constantly find new arguments and dimensions to arouse their interest, enhance their *entertainment* (retailtainment) and offer them *new experiences* during the buying process (Lehtonen and Maeupaa, 1997).

2. Research methodology and sample description

In order to identify how Romanians perceive DIY retailers' efforts to attract customers and obtain answers (on attitudes, preferences, etc.) with regards to innovations, the authors conducted a quantitative exploratory study during 2015 among consumers and company representatives who visited DIY retailers on a regular basis. In order to ensure representativeness of the sample, although it was only exploratory research, the respondents had to fill in an online questionnaire, and were firstly asked if they had visited any DIY retailers in the last three months. If yes, they had to answer all the questions; if no, they were dropped and the survey stopped. The authors also sent out invitation emails to representatives of different companies with DIY activities, to professionals and to craftsmen found in the national telephone directory. The online questionnaire contained factual statements with multiple answers in five-point Likert scale, as well as open statements that allowed respondents to express their own opinions about their preferred DIY store, innovation in DIY retail and its characteristics, the degree of novelty of some predefined innovation scenarios and the type of innovative products recently purchased. The response rate was quite significant (about 65%), 325 questionnaires being validated out of a total of 500 administered questionnaires. Data was mainly analysed by means of frequencies and by compiling open answer questions to relevant statements.

The respondents belonged mainly to Generation X. Since Gen Xers are placed between Millennials (Dabija *et al.*, 2017), who are in search of a career and family in parallel with buying their first home, and Gen Z, who are still pursuing a particular type of education (Miller, 2011; Martin and Prince, 2009), they exhibit a greater penchant for home furnishing, refurbishing, decoration, extension, etc. As they are in the early stages of their career, Gen Xers are receptive to DIY activities. However, innovation as a driver whereby young consumers are attracted to DIY retailers has been a narrow field, scarcely analysed so far.

Prior to the research proper, the authors carried out a *qualitative* pilot study (Smith and Albaum, 2005; Wilson, 2012). The research was carried out in several DIY stores in the big cities of Romania and enjoyed contributions from 110 respondents, all members of Generations X and Y. They were going through the stages of building or developing their own homes. The pilot research showed that young people were very eager and willing to embark on building, renovation and refurbishing work, as well as extensions to home, garden and outbuildings (Săniuță *et al.*, 2013). The conclusions of the pilot study improved the design of the quantitative empirical research conducted through the *survey* method.

In addition to stating their opinions about innovation, the four customer clusters were presented with four different scenarios (the projective tests technique) in which they had to express their opinions about the extent to which these scenarios may be viewed as innovations. As a component of psychometric tests, projective tests represent techniques to investigate people's personalities using various methods (word fills or word associations, image associations or interpretations, tests of recognition, etc.). They seek to capture directly the respondents' behavioural reactions and ascribe them to others, as if they belonged to other people (Smith and Albaum, 2005).

The four customer clusters consisted of:

- *small-scale craftsmen* (plumbers, painters, bricklayers, carpenters, electricians, tilers, upholsterers) who carried out professional repairing, fixing, installing, decorating and/or building works for various customers;
- *representatives of large enterprises* (real estate developers, constructors, interior or exterior design companies, designers, etc.) who purchased DIY products in large quantities in order to generate added value and create offers for the markets in which they operated, or looked for the latest technical solutions for the buildings they designed (architects, designers, landscapers, etc.);
- *regular customers, amateur do-it-yourselfers,* who regularly made small repair works (changing a bulb, sanitary fittings, switches and sockets, connecting parts for household and electronic appliances), and bought gardening products and construction materials for the upkeep of the house;
- *professional physical persons* who built, renovated and/or redecorated houses and apartments.

The above clusters show that an attempt was made to include people who were familiar with DIY stores, knew them well and regularly made purchases there. *The main objective of the quantitative research* was to identify how innovation in DIY retail was perceived and understood by the four customer clusters, in particular by Gen Xers.

The sample consisted mostly of young respondents, amateur consumers belonging to Generation X, who personally purchased products for various household needs. Whether they wanted to make a repair, rearrange their home or buy any other product for their household, garden or villa, these people represented a special target group for DIY retailers because, although their purchases were not very expensive, they visited the stores quite frequently, being always in expectation of novelty, of small changes in offers, new technical solutions to their current needs and information about redecoration and re-design, interior or exterior changes, etc. Amateur consumers were mostly men (38.1%), with fewer women (12.5%), DIY professionals again being represented by more men (22.1%) and fewer women (8.7%). Small-scale craftsmen (bricklayers, carpenters, etc.) were all men (9.5%), while the representatives of real estate developers were men and women in almost equal proportions (5.1% men and 4% women). Most amateur consumers were unmarried (37.3%), even if they had a partner, while small-scale craftsmen and company representatives had families (24.2%) or were divorced (8.3%). Small-scale craftsmen were married (4.1%) or single (3.9%).

The amateur repairers' income was 2.5 to 3.5 times higher than the national average salary, while the professionals' income was four to six times higher than average. Small-scale craftsmen had a variable income, some of them earning three to four average salaries, others even six to eight, according to their specialization. Company representatives had high incomes, although these were less relevant, as their purchases were for organizational purposes.

3. Results

Respondents' answers about their preferred leisure activities varied across the target clusters. In addition to their DIY activities, such as small household repairs or interior and exterior fit-outs, respondents also mentioned cultural (taking part in or watching performances, concerts etc.) and sports activities (fitness, football, running, cycling, etc.), walking, socializing with acquaintances or friends, exploring technical novelties, etc. For the DIY amateurs, most important were cultural (28%) and sporting (21%) activities, followed by socializing (16%), exploring IT, telephone and TV novelties (12%) and, to a lesser extent, DIY activities (8%) and various other activities (15%). Although occupying a relatively small share of the amateurs' leisure time, DIY was perceived as an enjoyable activity which stimulated their working creativity (87.4%). DIY as a leisure activity held no significance for professionals who decorated or redesigned homes, because this was their job role (79.3%). DIY was seen as an exacting activity, demanding quality work, sometimes under pressure of strict deadlines. Their leisure time was directed towards socializing (32%), sports (21%), cultural (18%) and open-air (11%) activities. DIY as a leisure activity did not play a significant role for small-scale craftsmen, who stated that they visited these stores every now and then, sometimes outside their regular working hours, but only if they saw an attractive offer (27%). To them, of major importance was socializing, spending time with family or friends (43%) and open-air activities (22%). Company representatives also ascribed reduced significance to DIY as a leisure activity (9%), because a leisure activity was only important when enjoyed with their partner. For these respondents, the most interesting activities seemed to be sports (19%) and cultural (attending concerts, sports competitions, etc.) events (15%), spending time with their partner or friends (14%) and the search for new technological trends (11%).

The four target segments were also questioned about the DIY stores they visited most frequently. Interestingly, amateurs, professionals and small-scale craftsmen preferred to purchase from the stores of domestic investors (Dedeman 17.5%, Arabesque 16%, Ambient 36%). Company representatives and amateurs were also interested in international retail chains, such as Bricostore (13.2%), Baumax/Leroy-Merlin (13.8%), Praktiker (14.2%), Hornbach (11.4%), respectively Obi (2.8%) – see *Table 1*.

Table 1. Breakdown of DIY stores visits by the four target segments

Retail chains		Amateurs	Professionals	Small-scale craftsmen	Company representatives	Total
1	*2*	*3*	*4*	*5*	*6*	*7*
Dedeman	n	27.0	20.0	8.0	9.0	64.0
	%	8.3	6.2	2.5	2.8	19.8
Arabesque	n	23.0	14.0	15.0	7.0	59.0
	%	7.1	4.3	4.6	2.2	18.2
Ambient	n	35.0	49.0	33.0	7.0	124.0
	%	10.8	15.1	10.2	2.2	38.3

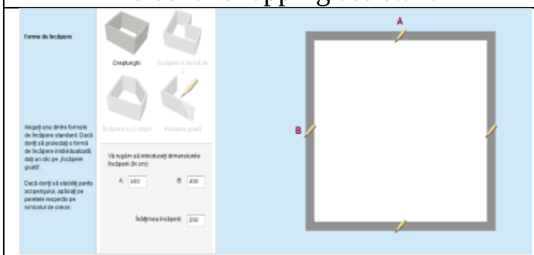
1	*2*	*3*	*4*	*5*	*6*	*7*
Bricostore	n	17.0	10.0	8.0	26.0	61.0
	%	5.2	3.1	2.5	8.0	18.8
Baumax/Leroy-Merlin	n	15.0	11.0	8.0	30.0	64.0
	%	4.6	3.4	2.5	9.2	19.7
Praktiker	n	18.0	10.0	7.0	28.0	63.0
	%	5.6	3.1	2.2	8.6	19.5
Hornbach	n	11.0	4.0	5.0	26.0	46.0
	%	3.4	1.2	1.6	8.0	14.2
Obi	n	4.0	3.0	1.0	5.0	13.0
	%	1.2	0.9	0.3	1.6	4.0

Source: own research.

In order to determine the extent to which the customers of DIY retailers (whether amateurs, professionals, small-scale craftsmen or company representatives) associated an idea or a particular layout in the store with a possible innovation, they were presented with four scenarios. Each scenario was accompanied by a picture (*Figure 1*) and a short description of what it represented. The images described a specific situation in DIY stores which could represent an innovative solution aimed at facilitating the customer's decision-making process. Respondents were given enough time to look at the scenarios and express their opinions about the innovativeness of each scenario. The images and the accompanying explanations were quite suggestive.

Personal shopping assistant

Display for choosing flooring



Bathroom 3D planner

Waste collection point

Figure 1. The four scenarios with their innovative solutions
Source: own research.

The possibility to plan and customize the bathroom interior was deemed the most innovative scenario. All respondents, both amateurs and small-scale craftsmen believed that the possibility of introducing the exact dimensions of a bathroom in a specialized computer programme, choosing the shape of the shower cabin, bathtub, basin and other accessories, as well as the colour of tiles, was indeed an innovation. It allowed them to form a realistic impression and a highly precise image of how the space could be used. The small-scale craftsmen and the company representatives (designers, architects, etc.) were delighted because they could enhance their own customers' level of satisfaction and show them the best solutions for interior harmonization.

The device attached to the shopping cart that displayed product characteristics according to the product bar codes was viewed by Gen Xers amateurs (80%) and small-scale craftsmen (95%) as an innovation. For the interviewees, it was highly important to obtain relevant and timely information about the products in the store, their use and characteristics. In this way, they could obtain the needed information and find the product in good time. The displayed information allowed consumers to discover which of the products presented best met their expectations and needs. The device also allowed consumers to save time and money, thus increasing their satisfaction.

In the amateurs' opinion, the waste collection point exhibited a relatively modest level of innovation. Even if it made an important contribution to pollution reduction and the implementation of sustainability objectives, a discount voucher of a particular value that could be changed at the DIY retailer's cash register was not an innovation per se, despite its preventing pollution and diminishing the consumption of materials. Respondents who were not concerned with environmental protection believed that the transportation of old objects from their home to the collection point was an extra chore that they found to be of little relevance compared with classical disposal of throwing the object into the waste bin, which was much easier. However, small-scale craftsmen, for whom the discovery of builders' waste collection points represented a proper solution and saved considerable time and money, shared a different opinion. Small-scale craftsmen stated that it should be necessary for DIY retailers to collect re-usable construction materials (wood, tubes or pipe ends, etc.).

According to the opinion of all respondents, the lowest level of innovation was observed in the display for choosing flooring. Although it had the advantage of quickly finding various flooring combinations and colours that best went together with the interior, this was not an innovation proper, but rather one of the retailer's facilities as a means to promote its sales. In the craftsmen's opinion, the flooring display was an element that allowed them to save time when shopping and choosing the best solution for a room. Respondents were asked to name innovative products/services that they had recently purchased from their favourite DIY retailers. The answers received were quite heterogeneous, revealing somewhat unexpected situations. 21.5% of respondents were unable to name any innovative product that they had purchased recently (the last 12 months). We believe it is highly likely that they had not bought any innovative products, even if they had visited DIY stores.

The young people fond of DIY viewed different household appliances as recently purchased innovations (milk-frothers, coffee-makers, super-automatic espresso machines, drinking water filters, air purifiers or humidifiers, carpet washer vacuum cleaners, microwave ovens, electronic ovens, irons with ionization systems, dishwashers, bars with countertop TV lift mechanisms, etc.). Some innovative products for gardening were those products that could be fixed onto the same telescopic handle, the lawn mower, the sprinkler, outdoor flower pots, the green fence (hedge) or the bamboo fence, exotic garden flowers, garden gnomes, etc. Many household accessories were thought of as possible innovative products, such as LED or remote control energy-saving light bulbs, curtain fitting systems, various classical or solar reading lamps, storage beds, the ergonomic or massage chair, etc.

The fit-out professionals stated that some of the innovative products that they had bought recently were accessories that increased the value of the home: bathroom accessories, ornamental wishing wells, gasification, wood or pellet boilers of high efficiency, the ergonomic or massage chair, the smart plug with time and energy management, metallic doors with thermal and phonic insulation, etc. For the small-scale craftsmen, innovative products were the tools that they used to do their job as well as consumables. Professional equipment or tools used by small-scale craftsmen were the laser level, the washable paint sprayer, the rotary hammer, the drapery hardware, the high pressure spray paint machine, the self-levelling floor compound, the energy-saving timer switch, etc. Company representatives stated that among the innovative products recently purchased were garden and interior design applications, modern lighting systems, classic or electric interior blinds systems, bathroom design products, solutions for identifying dirt in construction materials (keranet), online home design platforms, interior design products, etc.

The research conducted in the context of the Romanian market was in itself innovative because no research of this kind had been conducted in the past. The subject of innovation in retail generally has been extensively studied and debated. Other authors have reached similar conclusions about the contribution of innovation in retail to attract customers and invoke loyalty (Perkovic *et al.*, 2015), the use of new technologies (Dinu, 2015) and the implications of retail according to specific retail formats (Vasiliu and Cercel, 2015).

Conclusions

Regarding the processes determined, solicited or influenced by innovation, these might include many aspects and dimensions, such as: *the way in which the offer was conceived* (formation, variety, structure, qualitative characteristics and accompanying services); *the support activities* (operating at the level of the supply chain, the regulating system or at the level of some commercial technologies); and *organization of the marketing process* (concerning the management of innovation and the organizational framework so that innovation can be implemented). The objective of these three courses of action was to integrate, in a holistic manner, the stakeholders involved in DIY retail and make them develop new retailing concepts, stimulate the interaction between buyers and service providers and highlight the creative partnership of the parties involved in the exchange. However, without *empathetic customer treatment*, no innovation effort can enjoy complete success. The DIY economic player, whether producer or dealer, can enjoy medium and long-term success only by placing consumers in a central position and by developing a genuine *customer orientation*.

The present research, focused on four distinct customer clusters, attempts to offer practitioners and academics a way to approach customer groups according to modern economic requirements. The study reveals the need for DIY retail representatives to approach the four customer clusters differently. The *small-scale craftsmen* were concerned with meeting their beneficiaries' orders in a swift and efficient manner. For them, innovation could be promoted by offering advice and alternative solutions to specific problems so that the best quality-price ratio might be achieved.

Real estate developers, constructors and home designers may benefit from events where complex technical, constructive and functional solutions are promoted, exhibiting a high level of novelty. Such solutions could result from the joint collaboration between the producers of various DIY and home design materials and products and the DIY retailers. This is the cluster for which new innovative solutions could be proposed for experimental purposes, under specific financial conditions.

For the cluster represented by *individual consumers*, the DIY retailers could set up a department designed to display innovative solutions. DIY product trials for this customer category could be stimulated by setting up a club designed to attract this cluster, and by organizing weekly meetings where specialists perform demonstrations. The cluster of *professional physical persons* could be drawn to the stores of a DIY chain through a reward card scheme in which each purchase is awarded a number of points. When reaching a particular number, the points may allow the individual to purchase other new products.

The results show that customers were increasingly interested in identifying innovations that prove to be important time-and-money-savers, as well as those that bring about relevant technical improvements. The present research is scientifically peculiar because it analysis innovation in DIY retail from the perspective of Gen X consumers in an emergent country where the search for newness in the construction sector is still in full swing.

Naturally, the present research has its own limits. One of these limits is the study's focus on wide-area DIY retail only, which, according to a recent study (Bricoretail, 2016), owns 53% of the total market, amounting to EUR 2.15 billion. An exhaustive piece of research should not neglect the other smaller store chains which make up the remaining 43% market share. Another limit concerns the authors' focus on how DIY was perceived by only a single, current generation. We believe that, in this regard, there may be considerable overlap between the analysed generation and the other generations of customers. Last but not least, the online implementation of the research was in itself a limit, as new ways of data collection for a better and more transparent covering of the target segments ought to be identified in the future.

Building on these aspects, the authors intend to develop a programme whereby the marketing policies for stimulating innovation (not only technological innovation) in DIY retail are directed so as to increase the competitiveness of the companies in which it is implemented. To this effect, there are good premises for cooperation with DIY retailers who so far have shown interest in the preliminary results.

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